Draft Approach Paper to the Tenth Plan

1942. SHRI RUMANDLA RAMACHANDRAIAH: Will the PRIME MINISTER be pleased to state:

(a) whether Government have approved the draft approach paper to the Tenth Five Year Plan;

(b) if so, whether this plan has already been approved by the National Development Council;

(c) if so, the details thereof; and

(d) the steps taken to implement all the projects that were under taken during the Ninth Five Year Plan period?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRIMATI VASUNDHARA RAJE): (a) Yes Sir.

(b) Yes Sir.

(c) The Approach Paper to the Tenth Five Year Plan aims at the stepping up the growth rate of GDP to 8% per annum over the Plan period 2002—2007. It also proposes to establish specific of monitorable targets covering economic, social and environmental dimensions of human development. These include targets on reduction in poverty ratio, access to primary education, raising literacy rate, decline in infant mortality rate and maternal mortality rate, raising employment growth rate, improving coverage of villages in terms of access to potable drinking water, reducing gender gaps in literacy and wage rates, cleaning of major polluted river stretches, increase in forest cover and reducing the decadal population growth rate.

The Tenth Plan envisages a State wise break up of growth and other monitorable targets to build up requisite policy focus for reducing regional disparities in social and economic attainments. It proposes to integrate growth with equity and social justice. This would involve making agriculture development a core element of the Plan. It involves bringing about rapid growth in sectors with high quality employment opportunities. It also envisages restructuring of targeted programmes, emphasising cross sectoral synergies, for special groups. The underlying strategy for the attainment of Plan targets is

contingent on our ability to increase investment rate in the economy to 30—32 per cent, increase the productivity of existing capital assets, undertaking second generation policy reforms with a view to improving the efficiency of new investment; and devise instrumentalities to facilitate and encourage a deepening and broadening of the agenda for reforms across the States.

Raising the investment rate in the economy is critically tied with the ability of the Government both the Central and the States, to undertake an agenda for fiscal correction outlined in the Approach Paper. The most crucial aspect of this requires the Central Government to increase its savings by around 2.9% of GDP. The other important aspect pertains to expediting the disinvestment process.

Improving efficiency of public assets and quality of expenditure in the public sector requires rationalisation of Central sector and Centrally Sponsored Schemes through convergence, weeding out and transfer of schemes to the States. It requires completion of existing projects rather than intiating new projects, and selectively permitting the use of plan funds for critical repair and maintenance activities. Privatisation of non-strategic PSUs and closure of non-viable units at both Centre and States in a time bound manner would have to be undertaken. Moreover, expansion of project based support to States and making additional central assistance contingent on agreed programme of reforms is to be emphasised with a view to improving the efficiency of public spending in the States and encourage them to adopt agreed agenda for reforms.

In the context of improving the efficiency of public spending, the Commission noted the success of the core plan for the States in bringing about a more realistic plan formulation both in terms of mobilisation of resources and in terms of actual implementation.

The Approach document recognises the serious gaps that are emerging in infrastructure particularly in power, railways and public investment in irrigation. The flow of private investment in infrastructure has been below expectations as in many instances the requisite enabling framework is not yet in place. In respect of power

sector, the Approach Paper has proposed rationalisation of tariffs through SERCs, unbundling generation, transmission and distribution; privatising distribution and enabling bulk consumers to access power directly. On railways, the Approach Paper has suggested corporatisation of all non core, peripheral activities ,of the Indian Railways and establishing an independent Rail Tariff Regulatory Authority.

The Approach Paper has outlined measures to increase efficiency in private sector by continuing the reforms in industrial and trade policy, undertaking legal and procedural changes to facilitate quick transfer of assets, such as repeal of SICA, introduction and strengthening of bankruptcy and foreclosure laws etc. It also talks of adopting a blue print for removal of administrative, procedural and legal hurdles to investment and improving government's interface with the public. Reform and strengthening of judicial system and procedure is an area also identified in this context.

The Approach Paper has identified the need to have a comprehensive land use policy to encourage productive utilisation of available land resources. It has suggested disbanding export, trade and credit restrictions on agricultural and agroforestry products.

The Panchayati Raj institutions have a critical role to play in the developmental framework outlined for the Tenth Plan, particularly with regard to improving delivery mechanism for the poverty alleviation schemes. They also have special role in improving accountability at the local level in the public provisioning of education and health services.

The Approach Paper places special emphasis on empowerment of Scheduled Castes, Scheduled Tribes and Backward Classes and on mainstreaming of gender concerns.

(d) Completion of ongoing projects has been accorded high priority in the Approach Paper to the Tenth Five Year and a moratorium on launching new projects until at least a minimum number of partially completed projects are brought to completion has been suggested.

Financial assistance to A.P.

1943. SHRI R. SARATH KUMAR: Will the PRIME MINISTER be pleased to state:

(a) the details of the schemes submitted by Andhra Pradesh Government for financial assistance during each of the last three years;

(b) the action/decision taken by Government on the said schemes; and

(c) the amount sanctioned and released for the same schemes during the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRIMATI VASUNDHARA RAJE): (a) to (c) The schemes submitted by the State Government form an integral part of Annual Plan proposals. The plan sizes, as agreed to by Planning Commission, for the proposals, submitted by the Andhra Pradesh Government during the last three years *i.e.,* 1998-99; 1999-2000 and 2000-01 are Rs. 4678.95 crore, Rs. 5480.00 crore and Rs. 7708.00 crore respectively. The Additional Central Assistance (ACA) sanctioned and released to the Government of Andhra Pradesh in addition to this, during the preceding three years is given in the enclosed Statement.